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ANNEXATION STUDY LOUISBURG, NORTH CAROLINA

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THE TOWN OF LOUISBURG, NORTH CAROLINA

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John P. Smith, Town Administrator

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George W. Little, Secretary


DIVISION OF COMMUNITY ASSISTANCE

LOCAL PLANNING AND MANAGEMENT

SECTION 101

ANNEXATION STUDY

LOUISBURG, NORTH CAROLINA



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INTRODUCTION

The Louisburg Board of Commissioners is studying the possibility of annexing two areas contiguous to the present town limits for a number of reasons. Annexation will bring an automatic increase in the official town population, which will give the town a higher priority for receiving some types of state and federal funds. In addition, annexation will enable the town to adequately extend its urban services, such as police and fire protection, garbage collection, street maintenance, and water and sewer service into the areas of urban development which surround the present town boundaries. The extension of services which result from annexation will not only benefit present residents of the annexed areas, but will help to attract additional growth into these new areas of the town. The tax base will be increased, allowing the town to provide better services to all the people in the area.

Annexation will have a number of other advantages. Many residents and industries outside the present limits are already receiving some services from the town. Annexation will give these people a voice in choosing the leaders who help deliver these services. At the same time, it will allow the town to be more fairly remunerated for the delivery of these services. Lastly, annexation would be especially timely for Louisburg at this point, since the town is completing a 201 facilities plan for upgrading its sewage treatment facilities. Louisburg enforces a policy which states that any utility extensions require a petition for annexation; as a result of this policy, there is only a limited amount of developed land outside the city limits.

The policy of the North Carolina General Assembly regarding annexation by municipalities with populations of 5,000 or less is set forth in the General Statutes (G. S. 160A-33):

1. That sound urban development is essential to the continued economic development of North Carolina;
2. That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being intensively used for residential commercial, industrial, institutional and governmental purposes or in areas undergoing such development;
3. That municipal boundaries should be extended, in accordance with legislative standards applicable throughout the state, to include such areas and to provide the high quality of governmental services needed therein for public health, safety, and welfare;
4. That new urban development in and around municipalities having a population of less than 5,000 persons tends to be concentrated close to the municipal boundary rather than being

scattered and dispersed as in the vicinity of larger municipalities, so that the legislative standards governing annexation by smaller municipalities can be simpler than those for larger municipalities and still attain the objectives set forth in this section; and

5. That areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annexing municipality as soon as possible following annexation.

METHODS OF ANNEXATION

North Carolina municipalities may annex new territory based on the statutory provision that land developed for urban purposes should be within a city or town. Louisburg has three methods of annexation available to it which are as follows:

Annexation by Legislative Action. The General Assembly may enlarge a town's boundaries at any time by special act. There are no pre-established requirements. If this method were chosen, the town would adopt a resolution requesting its representative in the General Assembly to sponsor the appropriate legislation. The General Assembly could impose certain conditions upon the town which would have to be met before the act could become effective.

Annexation by 100 Percent Petition. After holding a public hearing, the town board may annex any area, within three miles of the town boundary, if it has received a petition requesting annexation from one hundred (100) percent of the real property owners in the area to be annexed. If the land is not contiguous to the present town boundaries, it falls under special conditions, which have been established by the 1974 General Assembly (Chapter 1173, House Bill 747) to deal with satellite annexation.

Annexation Subject to Development Standards and Service Requirements According to Statutory Standards. The town may annex any area, without need for public referendum, if that area meets the following conditions (GS 160A-36):

1. The area must be adjacent or contiguous to the municipal boundary;
2. At least 1/8 (12.5%) of the aggregated external boundaries of the area must coincide with the municipal boundary;
3. No part of the area shall be included within the boundary of another incorporated municipality;
4. The area to be annexed must be developed for urban purposes, that is--(a) at least sixty (60) percent of the total number of lots and tracts in the area at the time of annexation must be used for residential, commercial, industrial, institutional, or governmental purposes; and (b) the area must be subdivided into lots and tracts such that sixty (60) percent of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional purposes, consists of lots and tracts five (5) acres or less in size; and
5. New municipal boundaries shall, whenever practical, follow natural topographic features, and if a street is used as a boundary, developed land on both sides of the street should be included within the boundary.

The town must make plans for the extension of public services into the annexed area, and it must present these plans at a public hearing, before it can proceed with annexation. These plans must include (GS 160A-35):

1. Maps showing the present and proposed town boundaries and delineating the proposed extensions of water and sewer lines;
2. A statement showing that the areas to be annexed meet the geographical requirements of GS 160A-36 (described above); and
3. A statement presenting plans for extending the necessary municipal services into the annexed areas, and plans for financing those services.

In the laws governing this method of annexation, the General Assembly has most thoroughly expressed its intentions regarding annexation, so it is this method that Louisburg will use. The purpose of this report is to identify those areas contiguous to Louisburg that meet the statutory requirements for annexation, to develop plans for extending municipal services into these areas, and to determine costs and revenues that would result from the proposed annexations. With this information, Louisburg can then evaluate each study area in terms of town plans for development and the revenues and costs that would result from annexation.

In addition to the requirements of the North Carolina General Assembly and regardless of the method of annexation, all towns in Franklin County are required to submit their annexation proceedings to the U. S. Department of Justice for review. In accordance with the 1965 Voting Rights Act, the Department of Justice examines all annexations in Franklin County to determine if the voting rights of minorities will be abridged by the annexation proceedings.

METHODOLOGY

The general areas to be considered for annexation were selected according to their degree of urban development. Specific boundary lines were then established (see Map 1). Lot counts, boundary length measurements and acreage computations made by a compensating planimeter were made (see Chart 1). As required by the General Assembly likewise, natural topographic features were used whenever possible as boundary lines and developed areas on both sides of the street were usually included within the boundary lines. Land use was accomplished during January, February, and early March of 1976.

Population estimates for each study area were estimated by multiplying the number of dwelling units in the area by the average population per household (3.3) in Louisburg in 1970. Revenue generation for property tax in each area was determined from the 1975 tax records in Franklin County. These figures are essential to town officials in determining the financial feasibility of annexation and their ability to provide services. Cost figures for furnishing services to the proposed annexed areas are based, in most part, on population per household and costs of servicing households within present boundaries. These cost figures are estimates.

Two areas adjacent to the present city limits are under study. Each is presented separately with a map and its vital statistics:

Chart I
Vital Statistics of Study Areas

	Industrial Area	North Area	Annexation Total
Population	128	64	192
Households	44	22	66
Developed Lots	103	21	124
Appraised Value	\$2,722,527	\$708,215	\$3,430,742
Non-State Miles of Road	0.29	0.13	0.42
Acres	95.16	48.55	143.71

TOWN OF LOUISBURG NORTH CAROLINA

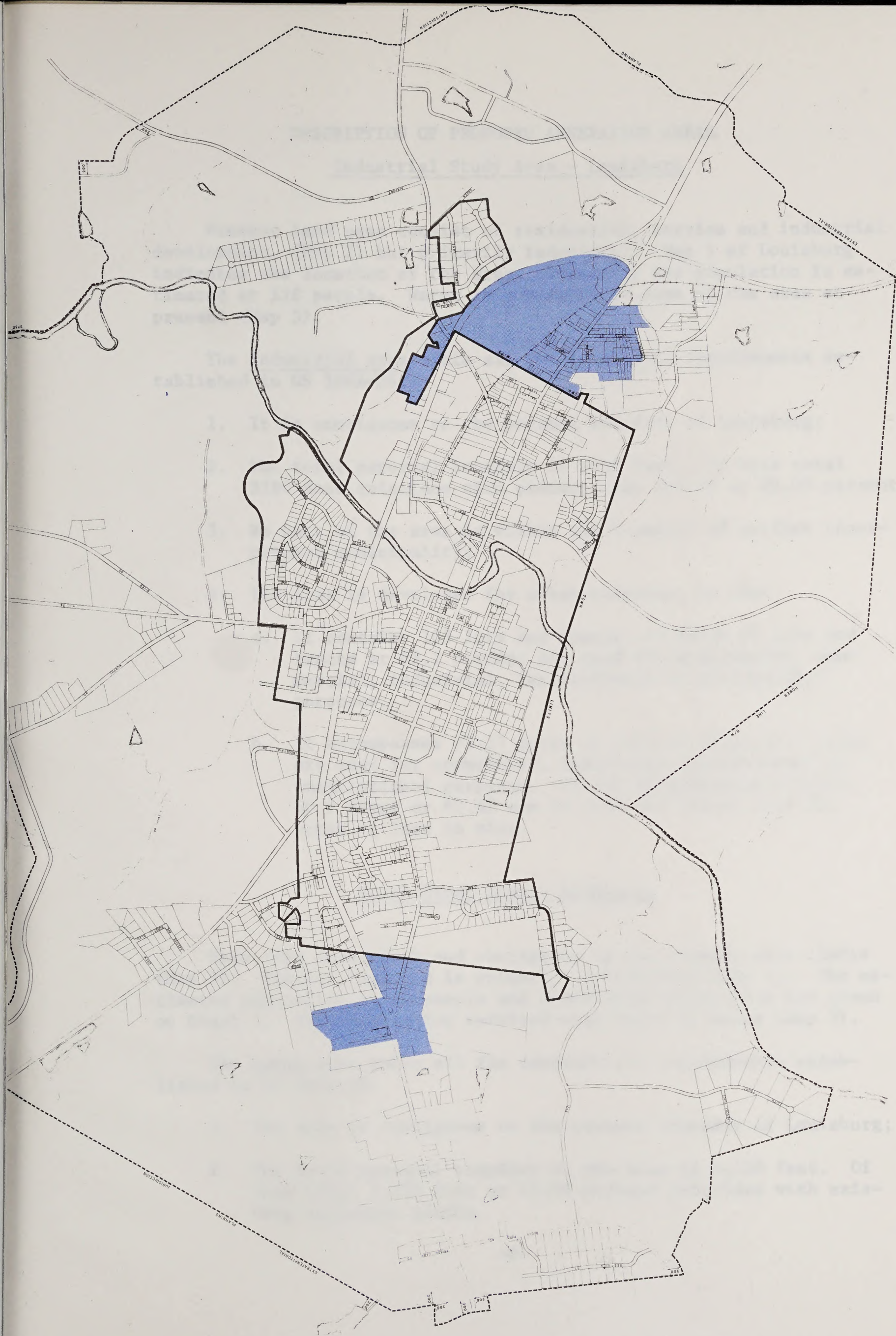


MAP UPDATED JULY 1973
1:25,000
0 100 200 300 400 500
Feet

THIS MAP WAS PREPARED FOR THE TOWN OF LOUISBURG
IN 1963 BY THE DEPARTMENT OF CONSERVATION AND
DEVELOPMENT DIVISION OF COMMUNITY PLANNING

ANNEXATION STUDY AREAS

MAP 1



DESCRIPTION OF PROPOSED ANNEXATION AREAS

Industrial Study Area - Louisburg

Present land uses consist of residential, service and industrial development, (Map 2) but primarily industrial. Map 1 of Louisburg indicates the location of the area. Presently the population is estimated at 128 people. Water is available to some of the area at present (Map 3).

The industrial area meets all the geographic requirements established in GS 160A-36:

1. It is contiguous to the present boundary of Louisburg;
2. The total external boundary is 9935 feet. Of this total 2190 feet coincides with present town limits or 22.09 percent;
3. No part of the area is within the boundary of another incorporated municipality;
4. The area is developed for urban purposes, in that:
 - a. It contains 103 lots and tracts, of which 65 lots and tracts or 63.1 percent are used for residential, commercial, industrial, institutional or governmental purposes.
 - b. It encompasses 95.17 acres of land of which 28.7 acres are used for commercial, industrial, governmental or institutional purposes. Of the remaining 66.5 acres, 40.2 acres or 60.4% are in lots and tracts five (5) acres or less in size.

North Study Area - Louisburg

This area lies north and contiguous to the present city limits (Map 1). Present land use is primarily residential (Map 4). The estimated population is 64 people and other vital statistics are given on Chart 1. The area is not serviced with water or sewer (Map 5).

The north area meets all the geographical requirements established in GS 160A-36:

1. The area is contiguous to the present boundary of Louisburg;
2. The total external boundary of the area is 8,120 feet. Of this total 1,110 feet or 13.66 percent coincides with existing corporate limits.

3. No part of the area is within the boundary of another incorporated municipality; and
4. The area is developed for urban purposes, in that:
 - a. This area contains 21 lots and tracts of which 19 lots and tracts or 90.5% are used for residential purposes.
 - b. This area encompasses 48.55 acres of which .58768 acres are used for commercial, industrial, governmental or institutional purposes. Of the remaining 47.96 acres, 36.97 acres or 77.0% are in lots and tracts five acres or less in size.

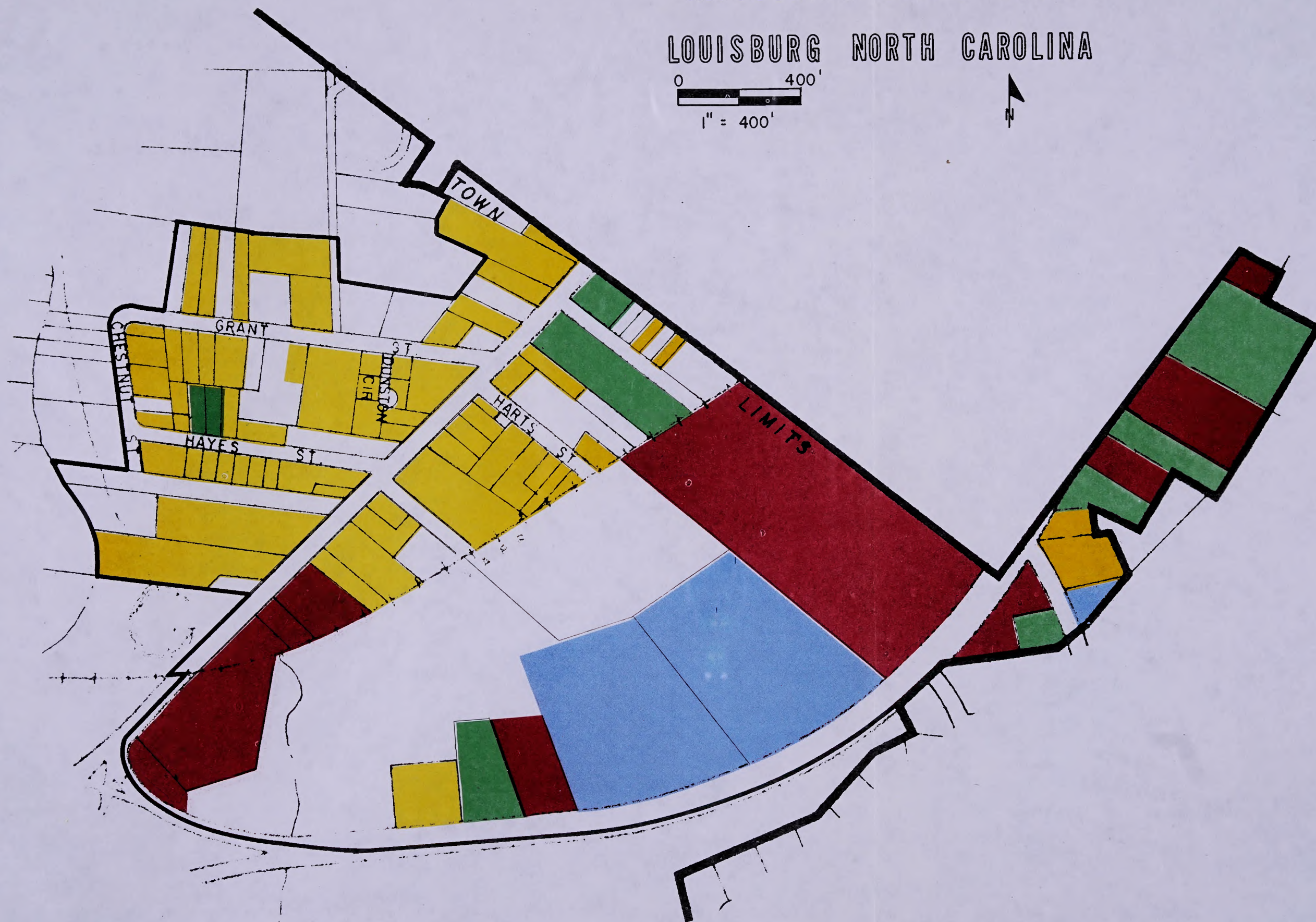


MAP 5
EXISTING LAND USE

RESIDENTIAL	
TRADE	
SERVICES	
MANUFACTURING	

INDUSTRIAL STUDY AREA
LOUISBURG NORTH CAROLINA

0 400'
1" = 400'



MAP 2

EXISTING LAND USE

- RESIDENTIAL
- TRADE
- SERVICES
- MANUFACTURING



WATER AND SEWER

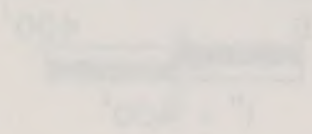
WATER LINES
 SEWER LINES
 EXISTING
 PROPOSED

MAP 3

AREA
 MAP

INDUSTRIAL

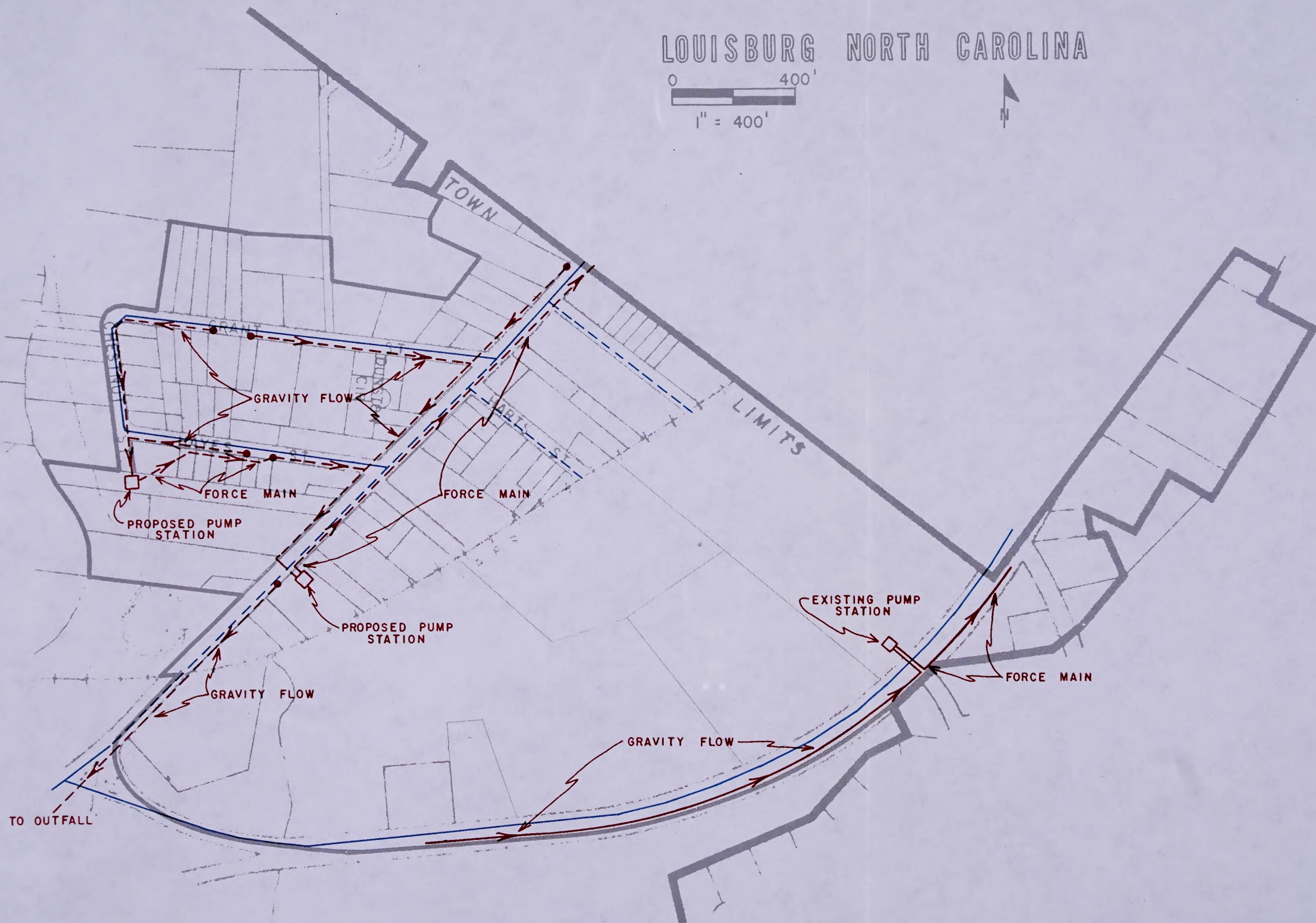
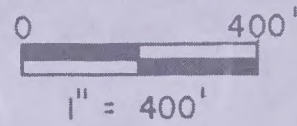
TO 1921



Map 2
INDUSTRIAL AREA

- 1. RESIDENTIAL
- 2. COMMERCIAL
- 3. SERVICES
- 4. MANUFACTURING

INDUSTRIAL STUDY AREA
LOUISBURG NORTH CAROLINA



MAP 3

WATER AND SEWER

	EXISTING	PROPOSED
WATER LINES		
SEWER LINES		



MAP 4

NORTH STUDY AREA

LOUISBURG NORTH CAROLINA

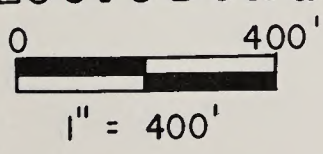
EXISTING LAND USE

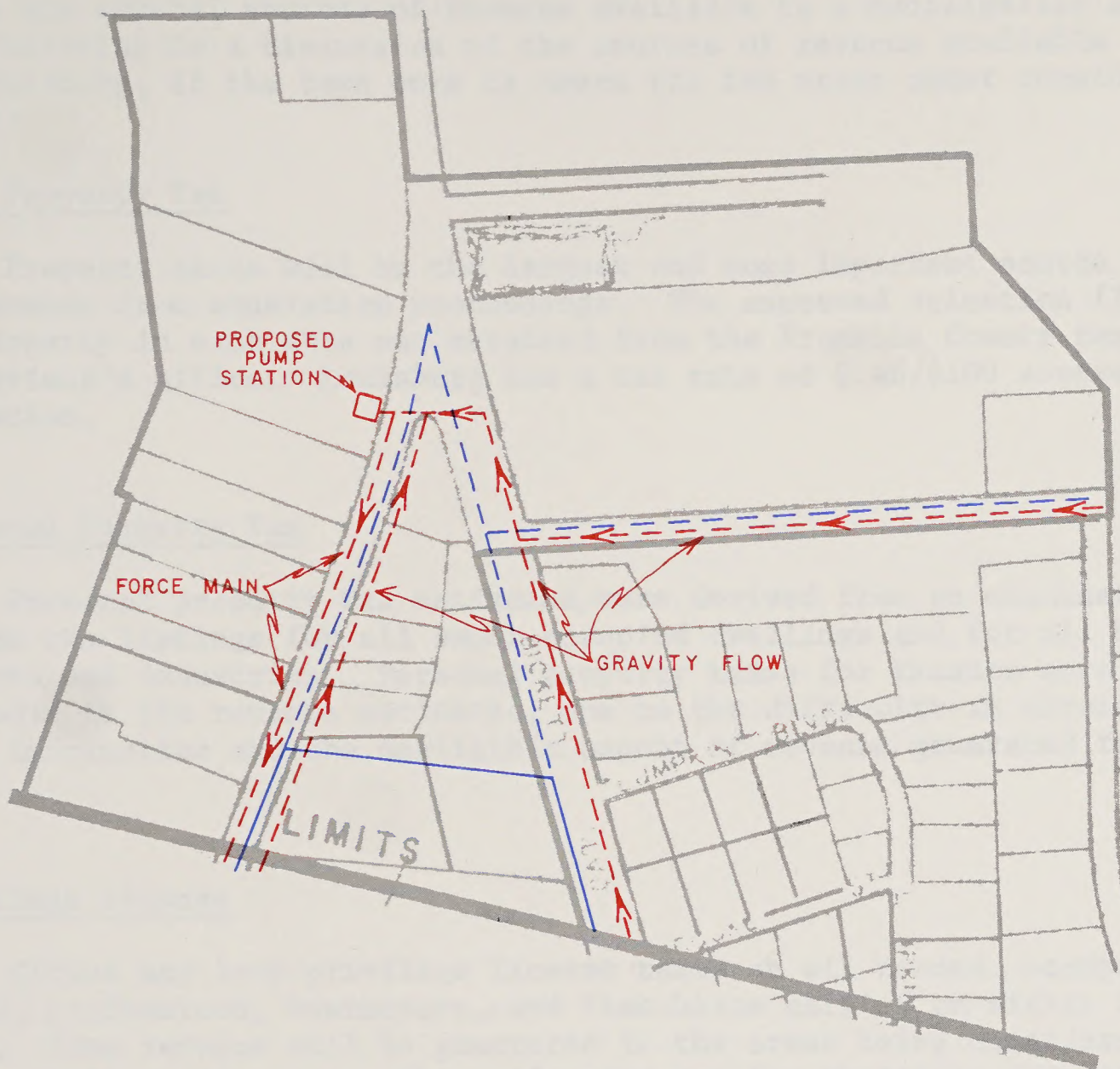


RESIDENTIAL

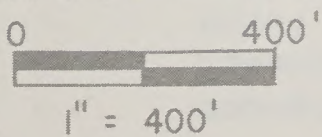


SERVICES





NORTH STUDY AREA
LOUISBURG NORTH CAROLINA



MAP 5 WATER AND SEWER

	EXISTING	PROPOSED
WATER LINES		
SEWER LINES		

REVENUES

One major consideration in evaluating the annexation potential of any area is the financial benefit or cost associated with it. There are several sources of revenue available to a municipality and the following is a discussion of the sources of revenue available to Louisburg, if the town were to annex the two areas under consideration:

Real Property Tax

Property taxes will be the largest and most important source of revenue from annexation proceedings. The assessed valuation (100%) of property in each area was obtained from the Franklin County tax supervisor's office. Louisburg has a tax rate of \$.46/\$100 assessed valuation.

Personal Property Tax

Personal property tax estimates were derived from an examination of the tax listings for all owner-occupied dwellings and for all businesses and industries. Personal property taxes for tenants were not included in the revenue estimates, due to the difficulty in obtaining this information and the negligible amount of revenue generated from it.

Privilege License

Cities may levy privilege license taxes on all trades, occupations, professions, businesses, and franchises carried on within the city. Some revenue will be generated in the areas being considered from privilege licenses. These licenses are for wholesale and retail establishments, businesses, professions; however, since the amount received from these services is difficult to project, they were omitted from the cost/revenue analyses because they do not generate appreciable revenue relative to the other sources considered.

Powell Bill Funds

North Carolina levies and collects a tax on every gallon of motor fuel sold in the state. From this tax, one cent on each gallon is distributed back to the municipalities. Powell Bill funds are distributed on the basis of population and of street mileage; 75% of the funds are distributed on the basis of population, and the other 25% on the basis of non-state system street mileage within the city. Additional Powell Bill funds would become available to Louisburg after annexation. Towns must use this money for maintenance, repair or construction of streets and thoroughfares. The present allocation is \$8.99 per capita, and \$655.40 per mile of non-state roads.

NOTES

The major consideration in evaluating the financial condition of any firm is the financial condition of the assets and liabilities. The assets and liabilities of a firm are the resources of the firm and the obligations of the firm. The assets of a firm are the resources of the firm and the liabilities of a firm are the obligations of the firm. The assets of a firm are the resources of the firm and the liabilities of a firm are the obligations of the firm.

Assets

Assets are the resources of a firm. They are the things that a firm owns. Assets are the resources of a firm. They are the things that a firm owns. Assets are the resources of a firm. They are the things that a firm owns. Assets are the resources of a firm. They are the things that a firm owns. Assets are the resources of a firm. They are the things that a firm owns.

Liabilities

Liabilities are the obligations of a firm. They are the things that a firm owes. Liabilities are the obligations of a firm. They are the things that a firm owes. Liabilities are the obligations of a firm. They are the things that a firm owes. Liabilities are the obligations of a firm. They are the things that a firm owes. Liabilities are the obligations of a firm. They are the things that a firm owes.

Equity

Equity is the ownership interest in a firm. It is the difference between the assets and liabilities of a firm. Equity is the ownership interest in a firm. It is the difference between the assets and liabilities of a firm. Equity is the ownership interest in a firm. It is the difference between the assets and liabilities of a firm. Equity is the ownership interest in a firm. It is the difference between the assets and liabilities of a firm. Equity is the ownership interest in a firm. It is the difference between the assets and liabilities of a firm.

Conclusion

The financial condition of a firm is determined by its assets and liabilities. The assets of a firm are the resources of the firm and the liabilities of a firm are the obligations of the firm. The equity of a firm is the ownership interest in the firm. The financial condition of a firm is determined by its assets and liabilities. The assets of a firm are the resources of the firm and the liabilities of a firm are the obligations of the firm. The equity of a firm is the ownership interest in the firm. The financial condition of a firm is determined by its assets and liabilities. The assets of a firm are the resources of the firm and the liabilities of a firm are the obligations of the firm. The equity of a firm is the ownership interest in the firm.

Auto License

The Town of Louisburg requires that each motor vehicle owner living inside the town limits purchase and display a \$1.00 town license tag. The license tags cost the town 12.5¢ each. Auto license tag revenues were estimated based on a 1975 per capita cost for licenses of \$.30/person.

Intangibles Tax

The state levies and collects taxes on intangible personal property, including bank accounts, shares of stock, bonds, cash, and accounts receivable; the proceeds are returned to local governments on the basis of population and ad valorem tax levy. Louisburg currently receives \$.049/\$1.00 of ad valorem tax levy.

Franchise Tax

Franchise taxes are collected by the state from public service companies such as gas, telephone, lights and power, bus, and water and sewer companies. The franchise tax is a tax on the privilege of carrying on various kinds of corporate activities in the state. Cities receive a franchise tax of public service corporations of 3% of the gross receipts within the city. Louisburg received \$15,203 in franchise taxes in 1975, or \$4.92/person.

ABC Funds

The Louisburg ABC Board is operated by a local act which distributes all profits from the store back to Louisburg; therefore, no additional ABC revenue has been projected to result from annexation.

Beer and Wine Tax

The state levies an excise tax on beer and wine, of which slightly less than 50% of that which is collected is allocated and distributed to those counties and municipalities in which beer and/or wine may legally be sold. If both beverages may be sold, the local government shares in the distribution of both taxes; if only one of the beverages may be sold, a governing unit shares in the tax for only that beverage. The beer and wine taxes are distributed on the basis of population of eligible cities and counties. During 1975 the beer and wine tax amounted to \$3.01 per capita.

Sales Tax

Franklin County levies a 1% sales and use tax; this tax is allocated by the state and the proceeds of the tax are returned to the

county of collection. Franklin County's share of sales tax is distributed on the basis of the size of the local government's tax levy. If Louisburg's tax levy is increased by \$15,781, then Louisburg's tax levy will amount to 7.16% of the Franklin County levy. The increase in tax levy will result in an additional \$3,858 in sales tax revenues.

Water and Sewer Revenue

The town will charge all new water and sewer customers the inside water and sewer rates in effect at the time they receive the services. Some persons in the proposed annexed areas are presently being served by water and/or sewer and are paying double rates.

In the North Area, it is assumed that 80% of the households, businesses, and service establishments will tap on to the water and sewer system. Water bills were estimated to average \$3.00 per month and sewer bills at \$1.50 per month for each establishment. Therefore, water revenues are estimated at \$662 per year and sewer revenues at \$331 per year.

In the Industrial Area, one industry presently pays \$750 per month for water and sewer or \$9,000 per year. If this industry is annexed, Louisburg will lose \$4,500 per year, since the industry will no longer be paying double rates.

Chart 2 shows an estimated revenue of \$1,541 generated from new water and sewer customers in the Industrial Area. From the existing water and sewer users, approximately \$12,276 in revenue is now generated and half or \$6,138 will be lost annually if the area is annexed. When compared with the \$1,541 generated from new water and sewer users, the annexation will bring about a loss of approximately \$4,600 in water and sewer revenues.

It should be noted that Louisburg has an assessment policy for water and sewer extensions which requires property owners to participate in the cost of extensions. Under this policy, the town would be obligated to extend water and sewer service to residents of the annexed area if the town received a petition from the majority of the property owners. The town would assess 50% of the cost of the extensions to the benefitting property owners.

Chart 2
Industrial Area Water and Sewer Revenues

Estimated Revenue Generated by Establishments Presently Served

Establishments	# of Water Users	Annual Water Revenues (double rate)	# of Sewer Users	Annual Sewer Revenue (double rate)
Residential	24	\$1728	0	\$ 0
Commercial	7	504	7	252
Services	7	504	5	180
Manufacturers*	1	72	1	36
Sub Total	39	\$2808	13	\$468
Plus large water user**		\$6000		\$3000
Total		\$8808		\$3468
Less ½ if annexed		\$4404		\$1734

Potential Revenue Generated by Establishments Not Presently Served

Establishments	# of Water Users	Annual Water Revenues \$3.00/customer Per Month	# of Sewer Users	Annual Sewer Revenue \$1.50/customer Per Month
Residential	20	\$ 720	44	\$ 792
Commercial	6	216	6	108
Services	1	36	3	54
Manufacturers	0	0	0	0
Total	27	\$ 972	53	\$ 954
less 20%***		\$ 778		\$ 763
Net change in water & sewer revenues		(-\$3626)		(-\$ 971)

* Excludes one large water and sewer using manufacturer.

** It was estimated that this industry pay \$6000 per year for water and \$3000 per year for sewer.

*** The Town Manager of Louisburg estimated that 20% of the residents would not tap on to the water and sewer lines.

Revenue Sharing

General revenue sharing allocations from the federal government are based on federal decennial census population as well as tax effort, income and intergovernmental transfers. Although annexation will cause Louisburg's share of funding to increase, the future of this program is uncertain. Revenues from this source have been pro-

jected on a per capita basis; however, it must be remembered that this program is subject to Congressional approval. In 1975 Louisburg received \$13.82 per capita. Using this per capita figure the Industrial Area, annexed, will generate \$1768.96 and the North Area will generate \$884.48 in revenue sharing funds.

SERVICES AND FINANCING

In order to comply with the General Statutes governing annexation, a town must extend police and fire protection, garbage collection, and street maintenance services to the area on the date of annexation on substantially the same basis and in the same manner as such services are provided in the rest of the town. Water and sewer services must also be made available to the annexed area, according to the policies in effect for other city residents. The following is a discussion of services that will be provided if Louisburg annexes.

The costs of providing these services were determined by two methods. One method used for cost determinations was an "incremental" method which considers only the very necessary costs added due to annexation. These costs will have to be dealt with immediately if the town annexes these areas. The other method used to determine costs was a "per capita" method. This method assumes that in order to provide services in the annexed areas at the same level the town now has, the per capita cost of these services will remain the same (See Chart 3). These costs were determined by dividing the amount of money appropriated in the 1975-76 Budget by the number of people in the town. The per capita cost of each service was then multiplied by the number of people in each of the study areas to develop a cost estimate.

Police

Police protection in Louisburg is provided by nine policemen; this gives a police to person ration of 1:343. The 192 people added because of annexation of one or both study areas are not enough to justify the hiring of another officer. Therefore costs resulting from annexation will be limited to the increased mileage costs from patrolling the streets in the study areas. The police department currently responds to calls in the proposed annexed areas, but they do not regularly patrol the streets. It is estimated that patrols average five per day, at a cost of 15¢ per mile. On this basis, costs for the North Area would amount to \$116.80 per year and for the Industrial Area \$231.00 per year. On a per capital basis the costs amount to \$3840 in the Industrial Area and \$1920 in the North Area. These figures were obtained by dividing the 3090 people in Louisburg into the budget appropriation of \$91,900. This computation gave a cost of \$30 per capita which was then multiplied by the 128 people in the Industrial Area and the 64 people in the North Area.

Fire

Fire protection is provided by the Louisburg Fire Department to all persons inside of the fire district. The fire district covers the area within four miles of the fire station which includes the areas under study for annexation. Since these areas are already covered by fire protection there was no increase in incremental costs.

However, on a per capita basis the Industrial Area will cost \$2048 per year and the North Area will cost \$1024 per year. The town presently budgets \$50,700 for the fire department which is about \$16 per capita. When this figure is multiplied by the number of people in each area, the cost of fire protection is derived for the study areas.

Garbage Collection and Disposal

Garbage collection and trash collection are provided by the Town of Louisburg. Presently the cost for these services is \$3.85 per household per month. With the additional 44 households in the Industrial Area and the 22 households in the North Area, the costs of providing garbage services will be \$2725.00 per year for the Industrial Area and \$1016.40 per year for the North Area. No additional personnel or equipment will be needed to service the proposed areas. When figured on a per capita basis the cost of garbage collection is essentially the same. Presently \$52,000 is appropriated for this service. This amounts to approximately \$16.83 per capita per year. When applied to the 128 people in the Industrial Area and the 64 people in the North Area, the cost estimates are \$2154 and \$1077 respectively.

Street Lights

Street lights will be extended and maintained in the proposed annexed areas. The lights will be spaced approximately 500 feet apart. The North Area which will have approximately 8 lights at \$35.00 per light (\$280.00) and the Industrial Area will have 20 new lights at \$35.00 per light (\$700.00). These costs are nonrecurring ones.

Administration

The cost of administration is due to salaries, supplies, insurance, retirement, and other debts incurred while carrying on the town's business. When the cost increase is estimated as an incremental cost the additional expenses incurred would be due to an increase in telephone usage, postage and other supplies needed to administer to the new areas. The increased costs due to annexation are estimated to be about \$1.50 per capita or about \$192.00 in the Industrial Area and \$96.00 in the North Area. In the long run the cost should be more nearly the same on a per capita basis as they are now. The total appropriation for administration in 1975-76 was \$110,940 which amounts to \$36.00 per person. In the Industrial Area this amounts to \$4608 and amounts to \$2304 in the North Area.

Street Maintenance

All streets in the proposed annexed areas are now state maintained except for approximately 1200 feet. It is anticipated that these roads would continue to be maintained by the state if annexation takes place. Powell Bill funds will be used to maintain the

1200 feet of non-state streets. Louisburg will receive some additional Powell Bill funds as a result of annexation and these will be used for maintenance. No additional costs will be incurred by the town as a result of annexation except for addition of street lights. Presently budgeted under street and cemetery is \$25,600 from the general fund and \$60,000 in Powell Bill Funds. This totals to \$95,600 for street maintenance and cemeteries or about \$31.00 per capita. When this per capita figure is applied to the Industrial Area and the North Area the costs are estimated to be \$3968 and \$1984, respectively.

Water and Sewer Service

Louisburg's source of water supply is the Tar River; the town has a raw water capacity of 10.0 MGD. Louisburg's existing water plant has a treatment capacity of 1.0 MGD. The average demand for water is .5 GPD and the peak demand is 775,000 GPD. Since some of the residents in the proposed annexation areas are currently being served and there are not any large industrial water users being added to the system, the town has more than an adequate supply for any persons in the areas who wish to become new customers.

Water service is presently available to most of the Industrial Area. The cost of providing this service to the remaining portion of the Industrial Area consists mainly of extending the present water lines. According to the Town of Louisburg's estimates, it will cost \$8,700 to provide water service to all of this area. Water service available in the North Area is only for a small portion of the area and is inadequate; new lines for the entire area must be constructed in order to provide adequate pressure for fire protection. Construction of a 6 inch water line in the North Area will cost \$20,000 according to estimates provided to the Town of Louisburg by their consulting engineers.

There is presently no federal grant money available for water extensions. The Farmers Home Administration, U. S. Department of Agriculture (FmHA) expects that they will have grant and loan money available beginning July 1, 1976. The North Carolina Clean Water Bond Fund grant money administered by the Division of Health Services, North Carolina Department of Human Resources, can make up to a 25% grant for water distribution lines. Neither of these sources of non-local funding were in the cost estimates, since 1) it is uncertain that Louisburg would qualify for a FmHA grant, and 2) the Clean Water Bond fund expires in 1976. Financing figures for the water distribution lines in the North Area were based on a loan for the total cost from FmHA at 5% for a forty (40) year repayment period.

Sewer service must be provided to all of the North Area and some residents in the Industrial and Southside Area. The town's consulting engineers have estimated that the cost of providing sewer service, including an 8 inch sewer line, a pump station and a force main, to the North Area will be \$55,000. The cost of providing sewer service to the unserved portion of the Industrial Area, including 8 inch sewer laterals, manholes, pump stations and a force main will be \$120,000.

Sources of non-local funding for the sewer collection lines, force mains and pumping stations are: 1) North Carolina Clean Water Bond Fund - 25% grant; 2) FmHA grant and/or loan; 3) Community Development Block Grant funds for the low and moderate income residential areas in the Industrial Area. None of the proposed sewer extensions in either of the proposed annexation areas are designated on the Louisburg 201 facilities plan for EPA participation in the costs. The extensions are in accordance with the 201 plan. The source of non-local funding figured in the cost estimates is a FmHA loan at 5% for a forty (40) year repayment period.

Louisburg's sewage treatment plant has a capacity of .5 million gallons per day. The plant is currently under capacity according to the North Carolina Division of Environmental Management; however, DEM has no records to indicate whether the plant is operating efficiently. Louisburg's 201 facilities plan is progressing well. The Step I report has been certified by the state and is awaiting EPA certification. Step II of the 201 process--design and specifications--and Step III--construction--were approved for Fiscal Year 1976. Although FY 1976 is over, money for Steps II and III has been reserved. If Louisburg upgrades its treatment facilities, the Division of Environmental Management would be able to grant the town a construction permit for the sewer lines needed for the proposed annexation study.

Chart 6 indicates that the Industrial Area will generate \$17,269 in revenue from water and sewer bills and assessments and that costs to the town for this area will amount to approximately \$13,603. Although, it appears that the cost-benefit relationship is favorable, it must be understood that the revenue generated will actually be less than the amount received from this area in previous years since customers will no longer be paying double water and/or sewer rates. The revenue loss from this area will amount to approximately \$4,600. In order for the water and sewer department to operate at its existing level this loss will need to be eliminated either by raising water and sewer rates or by transferring general fund money to the water and sewer funds. Theoretically, a water and sewer department is supposed to be self supporting; therefore, the preferable way to offset the revenue loss is to raise water and sewer rates. Current federal legislation requires that if a locality receives money for upgrading sewage treatment facilities from EPA, the locality must establish sewer rates that will support the department. Since Louisburg currently is progressing well on its 201 study for upgrading its sewage treatment facilities, and assuming that Louisburg receives grant money from EPA, the town's sewer rates will need to be increased in the near future.

Chart 6 also indicates that the revenue from assessments will exceed the amount of annual debt service. The additional money should either be deposited in a fund for future debt service payments or deposited in a capital reserve fund for future water and/or sewer system expansions.

The following charts are a comparison of the costs of services and revenues generated in the proposed areas for annexation. These costs are general fund costs figured on an "incremental" and "per capita" basis. The costs and revenues of water and sewerage is also presented in Charts 4, 5, and 6.

Chart 3
"Incremental" and "Per Capita"
Cost Comparisons of
General Fund Budget Items

Costs	Industrial Area		North Area	
	Incremental	Per Capita	Incremental	Per Capita
Administration	\$ 192	\$4608	\$ 96	\$2304
Police	230	3840	117	1920
Fire	0	2048	0	1024
Rescue	0	320	0	160
Streets, Street Lights and Cemetary	700	3968	280	1984
Garbage Collection	<u>2725</u>	<u>2154</u>	<u>1016</u>	<u>1077</u>
Total	\$3848	\$16,938	\$1509	\$8469

Nonrecurring Costs	Industrial Area	North Area
Boundary Survey	\$ 994	\$ 812
Installation of Street Lights	<u>700</u>	<u>280</u>
Total	\$1694	\$1092

Chart 4
Annual Estimated Revenue

Source	Industrial Area	North Area	Total
Real and Personal Property Tax at 95% rate of collection	\$11,897.00	\$3,095.00	\$14,992.00
Privilege License not computed	-0-	-0-	-0-
Auto License	38.40	19.20	57.60
Powell Bill Funds	1,340.78	660.56	2,001.34
Intangibles Tax	551.89	142.20	694.09
Franchise Tax	629.76	314.88	944.64
ABC Funds	-0-	-0-	-0-
Beer and Wine	385.42	192.71	578.13
Sales Tax	3,063.95	794.40	3,858.35
General Revenue Sharing*	<u>1,768.96</u>	<u>884.48</u>	<u>2,653.44</u>
Total	\$19,676.16	\$6,103.43	\$25,779.59

*The uncertainty of the future of this source of funding should be noted.

Chart 5
Total Costs of Water and Sewer Extensions*

1. North Area

a. Installation of 2000 linear feet of 6" water line	\$20,000
b. Installation of 500 feet of force main and 8" sewer line and a pump station	\$55,000
Total	\$75,000
Less 50% assessment	\$37,500
Town's Cost	<u>\$37,500</u>

2. Industrial Area

a. Installation of 4000 linear feet of 8" sewer line including manholes, pump stations and force main	\$120,000
b. Installation of 2900 feet of 2" water line	\$ 8,700
Total	\$128,700
Less 50% assessment	\$ 64,350
Town's Cost	<u>\$ 64,350</u>

*Cost estimates were furnished by the Town of Louisburg's consulting engineering firm of Peirson and Whitman, Incorporated.

Chart 6
Annual Water and Sewer
Costs and Revenue

Water and Sewer Revenue

	<u>Industrial Area¹</u>	<u>North Area²</u>
Water Bills (assuming 80% tap-on with average bill of \$3.00/month)	\$ 5,182 ³	\$ 662
Sewer Bills (assuming 80% tap-on with average bill of \$1.50/month)	2,497 ³	331
Water and Sewer Bills	\$ 7,679 ³ (this amount repre- sents a loss of \$4600 from previous years)	\$ 993
Assessments	<u>\$ 9,590⁴</u>	<u>\$5,589⁴</u>
TOTAL REVENUES	\$17,269	\$6,582

Water and Sewer Costs

Debt Service	\$ 7,500 ⁵	\$4,371 ⁵
Water and Sewer Treatment	1,786	792
Operation and Maintenance (See Chart 7)	4,317	2,162
TOTAL COSTS	<u>\$13,063</u>	<u>\$7,325</u>

¹The Industrial Area has 44 households, 2 manufacturers, 8 services, and 13 commercial establishments.

²The North Area has 22 households and 1 service of which none are presently served with water or sewer.

³Please refer to Chart 2 - Industrial Area Water and Sewer Revenues - on page 11 for an explanation of the water and sewer revenues.

⁴This assessment figure is based on the assumption that annexed residents will pay back their assessments over a ten year period at an annual interest rate of 8%.

⁵Debt service costs are based on the assumption that Louisburg will finance the entire cost of water and sewer extensions with a Farmers Home Administration loan at a 5% interest rate for a forty year period.

Chart 7
Annual Cost Estimates for Maintenance of Water and Sewer Lines*

<u>North Area</u>	<u>Cost</u>
2000 linear feet of 6" water line @ \$180 per mile per year	\$ 68.40
2500 linear feet of sewer line @ \$200 per mile per year	94.00
1 pump station - \$2000 per year	<u>2000.00</u>
Total	\$2162.40

<u>Industrial Area</u>	
4000 linear feet of 8" sewer line @ \$200 per mile per year	\$ 150.00
1800 linear feet of force main @ \$200 per mile per year	68.00
2900 linear feet of water line @ \$180 per mile per year	98.86
2 pump stations @ \$2000 per year each	<u>\$4000.00</u>
Total	\$4316.86

*The factors to derive these estimates were provided by the North Carolina Department of Natural and Economic Resources, Division of Environmental Management.

CONCLUSIONS

From a general fund point of view both areas seem promising as being feasible for annexing. The Industrial Area general fund revenues are greater than costs when using either the "per capita" cost estimate or the "incremental" cost estimate. In the North study area the general fund revenues exceed the "incremental" cost estimate by \$4,594. When the North Area's general fund revenues are compared with the "per capita" cost estimates, the costs exceed the revenues by \$2,366; however, as previously noted, per capita cost estimates tend to be high.

From the water and sewer cost and revenue point of view, the Industrial Area will lose money. The Industrial Area will lose approximately \$4,600 per year because the establishments will no longer have to pay double rates. In the North Area costs exceed revenues by approximately \$750.00 per year if this area is annexed.

When viewed from the standpoint of total costs and total revenues, both areas appear to be feasible for annexing (see Chart 8). The costs of annexing should fall between the range set forth which will more likely than not generate a net increase in revenue for the town, particularly in the long run.

In order to improve the revenue outlook from sewer and water the Town of Louisburg should look for other sources of federal funding and for grants. Some sources of grants are: Community Development Block Grants, Economic Development Act grants, Clean Water Bond Fund grants, and Farmer's Home Administration grants. If these and other sources of funding are not available, Louisburg may have to fund the water and sewer improvements with a bond issue. Louisburg has not reached its 8% bonding limit and has enough bonding capacity left to finance the improvements.

Another way to improve the revenue outlook is by increasing the water rates. In The Greater Louisburg Facilities Plan Volume I prepared by Peirson and Whitman, Incorporated, consulting engineers of Raleigh, North Carolina, the following statement was made: "After researching the cost of water in Louisburg as compared to other municipalities in North Carolina, it was found that Louisburg had the lowest rate in the state....". A thorough examination of Louisburg's water and sewer rates should be conducted to determine if the department is self supporting.

Because of the continuing urban development in the North study area, and their need for urban services, this area should be annexed if Louisburg wants to continue to attract urban growth in the future. It is apparent that a growth area around Louisburg is occurring in the north.

Chart 8

Revenues

	<u>Industrial Area</u>	<u>North Area</u>
General Fund	\$19,676	\$ 6,103
Water and Sewer	<u>\$17,269</u>	<u>\$ 6,582</u>
Total Revenues	\$36,945	\$12,685

Costs

	<u>Industrial Area</u>		<u>North Area</u>	
	Maximum Estimate	Minimum Estimate	Maximum Estimate	Minimum Estimate
General Fund*	\$16,938	\$ 3,848	\$ 8,469	\$1,509
Water and Sewer	<u>\$13,603</u>	<u>\$13,603</u>	<u>\$ 7,325</u>	<u>\$7,325</u>
Total	\$30,541	\$17,451	\$15,794	\$8,834
Water and Sewer Revenue Losses	\$-4,597	\$-4,597		

*These figures do not reflect the nonrecurring costs of the boundary survey and street light installation. Please see page 17, Chart 3.

The Industrial Area should be annexed in order to provide municipal attention to the blighted residential section of this area. Also since many of the establishments in this area are already receiving municipal services, they should become a part of the town in order to have a voice in the government of Louisburg.

The study areas can be annexed either together or separately, and the validity of this report should not be affected.

If Louisburg decides to annex, the first action it must take is to determine the source of funding for extension of services. Suggested sources are presented in this report; however it is the town's responsibility to determine the specific source. After this step is completed, not less than thirty days nor more than sixty days before a required public hearing the Louisburg Town Council must:

1. pass a resolution stating intent to consider annexation;
2. have report available to show that all North Carolina statutory requirements can be met;
3. publish a notice of public hearing once weekly for four consecutive weeks; the final notice must be published not more than seven days before the public hearing;
4. approve the annexation report;
5. make available copy of annexation report in town clerk's office at least fourteen days prior to public hearing date;
6. conduct a public hearing;
7. not less than seven days nor more than sixty days after this public hearing adopt an annexation ordinance establishing effective date of annexation and adopting annexation;
8. record annexation ordinance in Franklin County Register of Deeds and the North Carolina Secretary of State's office;
9. have the town attorney submit copies of annexation ordinance and other required information regarding changes in racial composition of annexed population to the Assistant Attorney General, Civil Rights Division, Department of Justice, Washington, D. C. 20530;

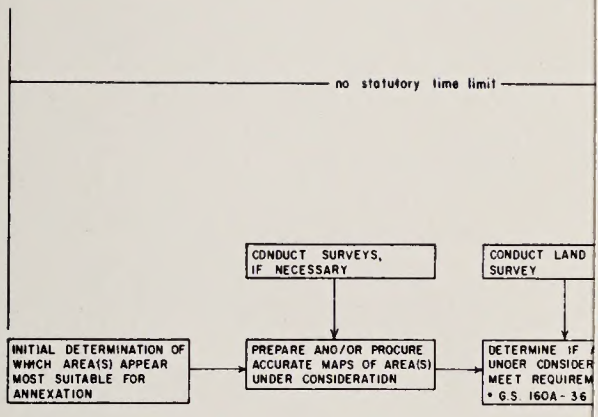
10. at effective date of annexation provide services to newly annexed areas and insure that construction on water and sewer services will begin within one year of the effective date of annexation.

A chart is presented in the Appendix of this report detailing the steps of annexation.

APPENDIX I



THIS APPENDIX IS A SUMMARY OF THE INFORMATION CONTAINED IN THE REPORTS OF THE FIELD OFFICES OF THE BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE, WHICH ARE BEING SUBMITTED TO THE COMMITTEE ON ASSASSINATIONS, SENATE, AND THE HOUSE OF REPRESENTATIVES, IN CONNECTION WITH THE INVESTIGATION OF THE ASSASSINATION OF MARTIN LUTHER KING, JR., APRIL 4, 1968.

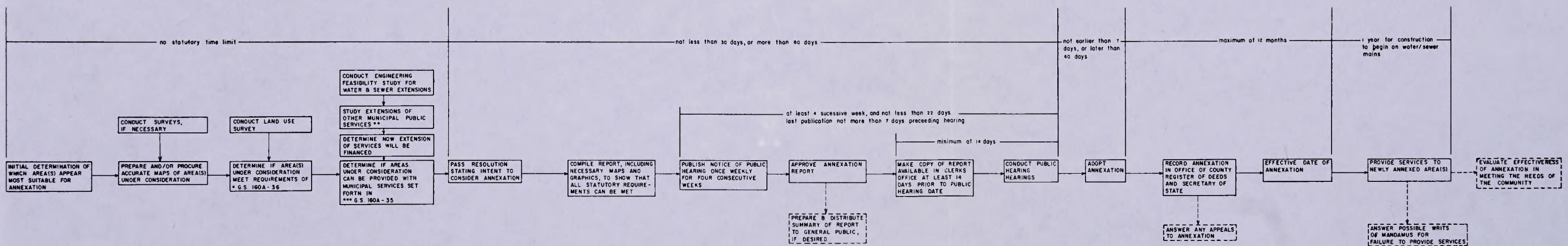


* BASICALLY, THAT AT LEAST ONE EIGHTH OF THE BOUNDARIES COINCIDE WITH THE BOUNDARY OF ANOTHER INCORPORATED MUNICIPALITY, AND THAT NO PART IS WITHIN THE BOUNDARY OF ANOTHER INCORPORATED MUNICIPALITY BE ANNEXED IS DEVELOPED FOR URBAN PURPOSES, AND THAT NATURAL FEATURES ARE PROTECTED.

** INCLUDING POLICE PROTECTION, FIRE PROTECTION, GARBAGE COLLECTION, AND STREET MAINTENANCE.

*** THIS DETERMINATION, IN REPORT FORM, INCLUDES MAPS AND STATEMENTS NECESSARY TO SHOW HOW MUNICIPAL SERVICES CAN BE PROVIDED WITH MUNICIPAL SERVICES, AND HOW THESE SERVICES WILL BE PROVIDED.

SEQUENCE OF EVENTS FOR ANNEXATION BY COMMUNITIES OF LESS THAN 5,000 [UNDER NORTH CAROLINA G S 160A-33 THROUGH 160A-44]



- * BASICALLY, THAT AT LEAST ONE EIGHTH OF THE BOUNDARIES COINCIDE WITH THE MUNICIPAL BOUNDARY, THAT NO PART IS WITHIN THE BOUNDARY OF ANOTHER INCORPORATED MUNICIPALITY, THAT THE AREA TO BE ANNEXED IS DEVELOPED FOR URBAN PURPOSES, AND THAT NATURAL FEATURES ARE USED AS BOUNDARIES.
- ** INCLUDING POLICE PROTECTION, FIRE PROTECTION, GARBAGE COLLECTION, AND STREET MAINTENANCE.
- *** THIS DETERMINATION, IN REPORT FORM, INCLUDES MAPS AND STATEMENTS NECESSARY TO SHOW THAT THE AREA CAN BE PROVIDED WITH MUNICIPAL SERVICES, AND HOW THESE SERVICES WILL BE FINANCED.

APPENDIX II

Legislation Governing Annexation by Cities With Less Than 5,000 Population

Part I. Annexation by Cities of Less Than 5,000

§ 162A-32. De-annexation. -- It is hereby declared as a matter of State policy:

APPENDIX II

- (1) That sound urban development is essential to the continued economic development of North Carolina;
- (2) That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being intensively used for residential, commercial, industrial, institutional and government purposes or in areas undergoing such development;
- (3) That municipal boundaries should be extended in accordance with legislative standards applicable throughout the State to include such areas and to provide the high quality of governmental services needed therefor for the public health, safety and welfare;
- (4) That new urban development in and around municipalities having a population of less than 5,000 persons tends to be concentrated close to the municipal boundary rather than being scattered and dispersed in the vicinity of larger municipalities so that the legislative standards governing annexation by smaller municipalities can be

APPENDIX II

Legislation Governing Annexation by Cities With Less Than 5,000 Population

Part 2. Annexation by Cities of Less than 5,000.

§ 160A-33. **Declaration of policy.** — It is hereby declared as a matter of State policy:

- (1) That sound urban development is essential to the continued economic development of North Carolina;
- (2) That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being intensively used for residential, commercial, industrial, institutional and government purposes or in areas undergoing such development;
- (3) That municipal boundaries should be extended, in accordance with legislative standards applicable throughout the State, to include such areas and to provide the high quality of governmental services needed therein for the public health, safety and welfare; and
- (4) That new urban development in and around municipalities having a population of less than 5,000 persons tends to be concentrated close to the municipal boundary rather than being scattered and dispersed as in the vicinity of larger municipalities, so that the legislative standards governing annexation by smaller municipalities can be

simpler than those for large municipalities and still attain the objectives set forth in this section;

- (5) That areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annexing municipality as soon as possible following annexation. (1959, c. 1010, s. 1; 1973, c. 426, s. 74.)

§ 160A-34. Authority to annex. — The governing board of any municipality having a population of less than 5,000 persons according to the last federal decennial census may extend the corporate limits of such municipality under the procedure set forth in this Part. (1959, c. 1010, s. 2; 1973, c. 426, s. 74.)

§ 160A-35. Prerequisites to annexation; ability to serve; report and plans. — A municipality exercising authority under this Part shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearing provided for in G.S. 160A-37, prepare a report setting forth such plans to provide services to such area. The report shall include:

- (1) A map or maps of the municipality and adjacent territory to show the following information:
 - a. The present and proposed boundaries of the municipality.
 - b. The proposed extensions of water mains and sewer outfalls to serve the annexed area, if such utilities are operated by the municipality.
- (2) A statement showing that the area to be annexed meets the requirements of G.S. 160A-36.
- (3) A statement setting forth the plans of the municipality for extending to the area to be annexed each major municipal service performed within the municipality at the time of annexation. Specifically, such plans shall:
 - a. Provide for extending police protection, fire protection, garbage collection and street maintenance services to the area to be annexed on the date of annexation on substantially the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation. If a water distribution system is not available in the area to be annexed, the plans must call for reasonably effective fire protection services until such time as waterlines are made available in such area under existing municipal policies for the extension of waterlines.
 - b. Provide for extension of water mains and sewer lines into the area to be annexed so that property owners in the area to be annexed will be able to secure public water and sewer services according to the policies in effect in such municipality for extending water and sewer lines to individual lots or subdivisions. If the municipality must, at its own expense, extend water and/or sewer mains into the area to be annexed before property owners in the area can, according to municipal policies, make such connection to such lines, then the plans must call for contracts to be let and construction to begin on such lines within one year following the effective date of annexation.
 - c. Set forth the method under which the municipality plans to finance extension of services into the area to be annexed. (1959, c. 1010, s. 3; 1973, c. 426, s. 74.)

§ 160A-36. Character of area to be annexed. — (a) A municipal governing board may extend the municipal corporate limits to include any area which meets the general standards of subsection (b), and which meets the requirements of subsection (c).

(b) The total area to be annexed must meet the following standards:

- (1) It must be adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun.

(2) At least one eighth of the aggregate external boundaries of the area must coincide with the municipal boundary.

(3) No part of the area shall be included within the boundary of another incorporated municipality.

(c) The area to be annexed must be developed for urban purposes. An area developed for urban purposes is defined as any area which is so developed that at least sixty percent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional purposes, consists of lots and tracts five acres or less in size.

(d) In fixing new municipal boundaries, a municipal governing board shall, wherever practical, use natural topographic features such as ridge lines and streams and creeks as boundaries, and if a street is used as a boundary, include within the municipality developed land on both sides of the street. (1959, c. 1010, s. 4; 1973, c. 426, s. 74.)

§ 160A-37. Procedure for annexation. — (a) Notice of Intent. — Any municipal governing board desiring to annex territory under the provisions of this Part shall first pass a resolution stating the intent of the municipality to consider annexation. Such resolution shall describe the boundaries of the area under consideration and fix a date for a public hearing on the question of annexation, the date for such public hearing to be not less than 30 days and not more than 60 days following passage of the resolution.

(b) Notice of Public Hearing. — The notice of public hearing shall

(1) Fix the date, hour and place of the public hearing.

(2) Describe clearly the boundaries of the area under consideration.

(3) State that the report required in G.S. 160A-35 will be available at the office of the municipal clerk at least 14 days prior to the date of the public hearing.

Such notice shall be given by publication in a newspaper having general circulation in the municipality once a week for at least four successive weeks prior to the date of the hearing. The period from the date of the first publication to the date of the last publication, both dates inclusive, shall be not less than 22 days including Sundays, and the date of the last publication shall be not more than seven days preceding the date of public hearing. If there be no such newspaper, the municipality shall post the notice in at least five public places within the municipality and at least five public places in the area to be annexed for 30 days prior to the date of public hearing.

(c) Action prior to Hearing. — At least 14 days before the date of the public hearing, the governing board shall approve the report provided for in G.S. 160A-35, and shall make it available to the public at the office of the municipal clerk. In addition, the municipality may prepare a summary of the full report for public distribution.

(d) Public Hearing. — At the public hearing a representative of the municipality shall first make an explanation of the report required in G.S. 160A-35. Following such explanation, all persons resident or owning property in the territory described in the notice of public hearing, and all residents of the municipality, shall be given an opportunity to be heard.

(e) Passage of the Annexation Ordinance. — The municipal governing board shall take into consideration facts presented at the public hearing and shall have authority to amend the report required by G.S. 160A-35 to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of G.S. 160A-35. At any regular or special meeting held no sooner than the seventh day following the public hearing and not later than 60 days following such public hearing, the governing board shall have authority to adopt an ordinance extending the corporate limits of the municipality to include all, or such part, of the area described in the notice of public hearing which meets the requirements of G.S. 160A-36 and which the governing board has concluded should be annexed. The ordinance shall:

- (1) Contain specific findings showing that the area to be annexed meets the requirements of G.S. 160A-36. The external boundaries of the area to be annexed shall be described by metes and bounds. In showing the application of G.S. 160A-36(c) and (d) to the area, the governing board may refer to boundaries set forth on a map of the area and incorporate same by reference as a part of the ordinance.
- (2) A statement of the intent of the municipality to provide services to the area being annexed as set forth in the report required by G.S. 160A-35.
- (3) A specific finding that on the effective date of annexation the municipality will have funds appropriated in sufficient amount to finance construction of any water and sewer lines found necessary in the report required by G.S. 160A-35 to extend the basic water and/or sewer system of the municipality into the area to be annexed, or that on the effective date of annexation the municipality will have authority to issue bonds in an amount sufficient to finance such construction. If authority to issue such bonds must be secured from the electorate of the municipality prior to the effective date of annexation, then the effective date of annexation shall be no earlier than the day following the statement of the successful result of the bond election.
- (4) Fix the effective date of annexation. The effective date of annexation may be fixed for any date within 12 months from the date of passage of the ordinance.

(f) Effect of Annexation Ordinance. — From and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. The newly annexed territory shall be subject to municipal taxes levied for the fiscal year following the effective date of annexation. If the effective date of annexation falls between January 1 and June 30, the municipality shall, for purposes of levying taxes for the fiscal year beginning July 1 following the date of annexation, obtain from the county a record of property in the area being annexed which was listed for taxation as of said January 1. If the effective date of annexation falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of the annexing municipality is June 1, then businesses in the area to be annexed shall be liable for taxes imposed in such ordinance from and after the effective date of annexation.

(g) Simultaneous Annexation Proceedings. — If a municipality is considering the annexation of two or more areas which are all adjacent to the municipal boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of this Part for the annexation of such areas.

(h) Remedies for Failure to Provide Services. — If, not earlier than one year from the effective date of annexation, and not later than 15 months from the effective date of annexation, any person owning property in the annexed territory shall believe that the municipality has not followed through on its service plans adopted under the provisions of G.S. 160A-35(3) and 160A-37(e), such person may apply for a writ of mandamus under the provisions of Article 40, Chapter 1 of the General Statutes. Relief may be granted by the judge of superior court

- (1) If the municipality has not provided the services set forth in its plan submitted under the provisions of G.S. 160A-35(3)a on substantially the same basis and in the same manner as such services were provided within the rest of the municipality prior to the effective date of annexation, and
- (2) If at the time the writ is sought such services set forth in the plan submitted under the provisions of G.S. 160A-35(3)a are still being provided on substantially the same basis and in the same manner as on the date of annexation of the municipality.

Relief may also be granted by the judge of superior court

- (1) If the plans submitted under the provisions of G.S. 160A-35(3)c require

the construction of major trunk water mains and sewer outfall lines and

(2) If contracts for such construction have not yet been let.

If a writ is issued, costs in the action, including a reasonable attorney's fee for such aggrieved person, shall be charged to the municipality. (1959, c. 1010, s. 5; 1967, c. 1226, s. 1; 1973, c. 426, s. 74.)

§ 160A-38. Appeal. — (a) Within 30 days following the passage of an annexation ordinance under authority of this Part, any person owning property in the annexed territory who shall believe that he will suffer material injury by reason of the failure of the municipal governing board to comply with the procedure set forth in this Part or to meet the requirements set forth in G.S. 160A-36 as they apply to his property may file a petition in the superior court of the county in which the municipality is located seeking review of the action of the governing board.

(b) Such petition shall explicitly state what exceptions are taken to the action of the governing board and what relief the petitioner seeks. Within five days after the petition is filed with the court, the person seeking review shall serve copies of the petition by registered mail, return receipt requested, upon the municipality.

(c) Within 15 days after receipt of the copy of the petition for review, or within such additional time as the court may allow, the municipality shall transmit to the reviewing court

(1) A transcript of the portions of the municipal journal or minute book in which the procedure for annexation has been set forth and

(2) A copy of the report setting forth the plans for extending services to the annexed area as required in G.S. 160A-35.

(d) If two or more petitions for review are submitted to the court, the court may consolidate all such petitions for review at a single hearing, and the municipality shall be required to submit only one set of minutes and one report as required in subsection (c).

(e) At any time before or during the review proceeding, any petitioner or petitioners may apply to the reviewing court for an order staying the operation of the annexation ordinance pending the outcome of the review. The court may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised.

(f) The court shall fix the date for review of annexation proceedings under this Chapter, which review date shall preferably be within 30 days following the last day for receiving petitions to the end that review shall be expeditious and without unnecessary delays. The review shall be conducted by the court without a jury. The court may hear oral arguments and receive written briefs, and may take evidence intended to show either

(1) That the statutory procedure was not followed or

(2) That the provisions of G.S. 160A-35 were not met, or

(3) That the provisions of G.S. 160A-36 have not been met.

(g) The court may affirm the action of the governing board without change, or it may

(1) Remand the ordinance to the municipal governing board for further proceedings if procedural irregularities are found to have materially prejudiced the substantive rights of any of the petitioners.

(2) Remand the ordinance to the municipal governing board for amendment of the boundaries to conform to the provisions of G.S. 160A-36 if it finds that the provisions of G.S. 160A-36 have not been met; provided, that the court cannot remand the ordinance to the municipal governing board with directions to add area to the municipality which was not included in the notice of public hearing and not provided for in plans for service.

(3) Remand the report to the municipal governing board for amendment of the plans for providing services to the end that the provisions of G.S. 160A-35 are satisfied.

If any municipality shall fail to take action in accordance with the court's instructions upon remand within three months from receipt of such instructions, the annexation proceeding shall be deemed null and void.

(h) Any party to the review proceedings, including the municipality, may appeal to the Supreme Court from the final judgment of the superior court under rules of procedure applicable in other civil cases. The appealing party may apply to the superior court for a stay in its final determination, or a stay of the annexation ordinance, whichever shall be appropriate, pending the outcome of the appeal to the Supreme Court; provided, that the superior court may, with the agreement of the municipality, permit annexation to be effective with respect to any part of the area concerning which no appeal is being made and which can be incorporated into the city without regard to any part of the area concerning which an appeal is being made.

(i) If part or all of the area annexed under the terms of an annexation ordinance is the subject of an appeal to the superior or Supreme Court on the effective date of the ordinance, then the ordinance shall be deemed amended to make the effective date with respect to such area the date of the final judgment of the superior or Supreme Court, whichever is appropriate, or the date the municipal governing board completes action to make the ordinance conform to the court's instructions in the event of remand. (1959, c. 1010, s. 6; 1973, c. 426, s. 74.)

§ 160A-39. Annexation recorded. — Whenever the limits of a municipality are enlarged in accordance with the provisions of this Part, it shall be the duty of the mayor of the municipality to cause an accurate map of such annexed territory, together with a copy of the ordinance duly certified, to be recorded in the office of the register of deeds of the county or counties in which such territory is situated and in the office of the Secretary of State. (1959, c. 1010, s. 7; 1973, c. 426, s. 74.)

§ 160A-40. Authorized expenditures. — Municipalities initiating annexations under the provisions of this Part are authorized to make expenditures for surveys required to describe the property under consideration or for any other purpose necessary to plan for the study and/or annexation of unincorporated territory adjacent to the municipality. In addition, following final passage of the annexation ordinance, the annexing municipality shall have authority to proceed with expenditures for construction of water and sewer lines and other capital facilities and for any other purpose calculated to bring services into the annexed area in a more effective and expeditious manner prior to the effective date of annexation. (1959, c. 1010, s. 8; 1973, c. 426, s. 74.)

§ 160A-41. Definitions. — The following terms where used in this Part shall have the following meanings, except where the context clearly indicates a different meaning:

- (1) "Contiguous area" shall mean any area which, at the time annexation procedures are initiated, either abuts directly on the municipal boundary or is separated from the municipal boundary by a street or street right-of-way, a creek or river, the right-of-way of a railroad or other public service corporation, lands owned by the municipality or some other political subdivision, or lands owned by the State of North Carolina.
- (2) "Used for residential purposes" shall mean any lot or tract five acres or less in size on which is constructed a habitable dwelling unit. (1959, c. 1010, s. 9; 1973, c. 426, s. 74.)

§ 160A-42. Land estimates. — In determining degree of land subdivision for purposes of meeting the requirements of G.S. 160A-36, the municipality shall use methods calculated to provide reasonably accurate results. In determining whether the standards set forth in G.S. 160A-36 have been met on appeal to the superior court under G.S. 160A-38, the reviewing court shall accept the estimates of the municipality:

- (1) As to total area if the estimate is based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable map used for official purposes by a governmental agency unless the petitioners on appeal demonstrate that such estimates are in error in the amount of five percent (5%) or more.
- (2) As to degree of land subdivision, if the estimates are based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable source, unless the petitioners on appeal show that such estimates are in error in the amount of five percent (5%) or more. (1959, c. 1010, s. 10; 1973, c. 426, s. 74.)

§ 160A-43. **Effect of Part on other laws.** — From and after July 1, 1959, this Part shall be in full force and effect with respect to all municipalities having a population of less than 5,000 persons according to the last preceding federal decennial census. The provisions of Part 1 of Article 36 of Chapter 160 [Part 1 of Article 4A of Chapter 160A] of the General Statutes of North Carolina shall remain in full force and effect with respect to such municipalities as an alternative procedure until June 30, 1962. From and after July 1, 1962, all the provisions of Part 1 of Article 36 of Chapter 160 of the General Statutes of North Carolina, with the exception of G.S. 160-452 [G.S. 160A-31] as it exists at the time of the passage of this Part or as it may be amended at this session of the General Assembly, shall be repealed. Insofar as the provisions of this Part are inconsistent with the provisions of any other law, the provisions of this Part shall be controlling. (1959, c. 1010, s. 11; 1961, c. 655, s. 1; 1967, c. 1226, s. 2; 1973, c. 426, s. 74.)

§ 160A-44. **Counties excepted from Part; Part 1 continued for such counties.** — The provisions of this Part shall not apply to the following counties: Alleghany, Edgecombe, Halifax, Iredell, Nash, except for the towns of Nashville, Spring Hope, Castalia and Middlesex, Pender, Perquimans and Person, provided the provisions of this Part shall apply to the towns of Whitakers, Sharpsburg, and Battleboro in Edgecombe and Nash Counties. This Part shall not apply to the town of King in Stokes County, nor to the town of Pilot Mountain in Surry County.

Notwithstanding any other provisions of this Part, Part 1 of Article 36 of Chapter 160 [Part 1 of Article 4A of Chapter 160A] of the General Statutes of North Carolina and specifically G.S. 160A-31 as the same may be rewritten or amended, shall remain in full force and effect as to the counties herein named. (1959, c. 1010, s. 12; 1961, c. 1081; 1965, cc. 782, 875; 1967, c. 156, s. 1; 1969, c. 438, s. 1; c. 1232; 1971, c. 28; 1973, c. 426, s. 74.)

ENVIRONMENTAL CONSIDERATIONS

Pursuant to the requirements and guidelines of the National Environmental Protection Act, the Council on Environmental Quality, the U. S. Department of Housing and Urban Development, and the State Environmental Policy Act, the following is a summary of environmental considerations regarding the recommendations in this annexation study.

1. Abstract. This annexation study outlines the statutory requirements which must be met by the Town of Louisburg to annex contiguous areas. Two areas are examined for degree of conformity to statutory requirements, and recommendations are made as to which areas should be annexed to achieve the community's goals and growth objectives.
2. Environmental Impact. The recommendations in this study, if implemented, will have a favorable environmental impact for the following reasons: (a) enlarged town limits will provide a higher tax base, thereby allowing the town to provide facilities such as improved sewage treatment to help protect the environment, and (b) enlarged town limits as recommended will allow the town to develop economically.
3. Adverse Environmental Effects. The recommendations, if implemented, should have no undesirable environmental consequences.
4. Alternatives. The primary alternative is "no action"; however, if annexation does not take place in Louisburg, the town would not provide necessary municipal services to those proposed annexation areas.
5. Relationship Between Short Term Uses of Man's Environment and Maintenance of Long Term Productivity. By annexing areas contiguous to the town and providing them with needed public services, particularly solid waste disposal and sanitary sewers, it will help maintain long term land and water productivity through a decrease in pollution of these resources.
6. Irreversible Commitments of Resources. If the recommendations are followed, financial resources for water and sewer lines, street lights, and street paving will be committed.
7. Federal, State and Local Environmental Controls. All federal, state and local environmental controls currently being enforced will be applicable to any annexation in the planning area. This would include legislation governing the operation and expansion of the wastewater treatment plant.
8. Mitigation Measures. Not applicable since undesirable environmental consequences of annexation are not anticipated.

